

SENATE BILL

No. 54

Introduced by Senator Haynes

May 17, 2001

An act to ~~amend Section 2822 of~~ *add Section 392.2 to the Public Utilities Code, relating to public utilities and to add Sections 17053.83 and 23683 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.*

LEGISLATIVE COUNSEL'S DIGEST

SB 54, as introduced, Haynes. ~~Electricity: standby charges~~
Taxation: credits: electricity conservation.

The Personal Income Tax Law and the Bank and Corporation Tax Law authorize various credits against the taxes imposed by those laws.

This bill would allow a credit under both laws in an amount equal to the product of a taxpayer's energy conservation percentage, not to exceed 25%, and the cost of electricity used by the taxpayer in this state.

This bill would provide that the credits are refundable upon appropriation by the Legislature.

This bill would require investor-owned utilities to provide a specified accounting on its monthly bills to electricity customers regarding electricity savings for purposes of the credits.

This bill would take effect immediately as a tax levy.

~~(1) Existing law requires the Public Utilities Commission to approve and establish standby charges for electrical corporations.~~

~~This bill would require the commission to prohibit the imposition of standby charges on the use or operation of distributed energy resources, as defined. Since a violation of an order of the commission is a crime~~

under existing provisions of law, the bill would create a state-mandated local program by expanding the definition of a crime.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes *no*.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Section 2822 of the Public Utilities Code is~~
2 ~~amended to read:~~

3 ~~2822. (a) Except as otherwise specified in subdivision (b),~~
4 ~~the commission shall approve and establish standby charges for~~
5 ~~electrical corporations. The commission may act in this regard on~~
6 ~~its own motion or on application of an electrical corporation or a~~
7 ~~private energy producer.~~

8 ~~(b) The commission shall prohibit standby charges on the use~~
9 ~~or operation of distributed energy resources. “Distributed energy~~
10 ~~resources” for the purposes of this section means any generation,~~
11 ~~storage, or related ancillary technology designed primarily to~~
12 ~~serve the local demand for electricity other than from conventional~~
13 ~~power sources.~~

14 ~~SEC. 2. No reimbursement is required by this act pursuant to~~
15 ~~Section 6 of Article XIII B of the California Constitution because~~
16 ~~the only costs that may be incurred by a local agency or school~~
17 ~~district will be incurred because this act creates a new crime or~~
18 ~~infraction, eliminates a crime or infraction, or changes the penalty~~
19 ~~for a crime or infraction, within the meaning of Section 17556 of~~
20 ~~the Government Code, or changes the definition of a crime within~~
21 ~~the meaning of Section 6 of Article XIII B of the California~~
22 ~~Constitution.~~

23 *SECTION 1. Section 392.2 is added to the Public Utilities*
24 *Code, to read:*

25 *392.2. Each investor-owned utility in this state shall provide*
26 *in its monthly billing statement to its electricity customers an*
27 *itemized accounting of the amount each customer has reduced his,*

her; or its electricity consumption in the current taxable year as compared to the immediately preceding taxable year for purposes of claiming the credits allowed by Sections 17053.83 and 23683 of the Revenue and Taxation Code.

SEC. 2. Section 17053.83 is added to the Revenue and Taxation Code, to read:

17053.83. (a) There shall be allowed as a credit against the “net tax,” as defined in Section 17039, an amount equal to the product of the taxpayer’s energy conservation percentage, not to exceed 25 percent, and the cost paid or incurred by the taxpayer during the taxable year for the amount of electricity used by the taxpayer in this state.

(b) For purposes of this section, “energy conservation percentage” means the amount of reduction, expressed as a percentage, in the amount of electricity used in this state by the taxpayer during the taxable year as compared to the amount of electricity used in this state by the taxpayer during the immediately preceding taxable year.

(c) In the case of a taxpayer whose credits provided under this section exceed the taxpayer’s tax liability computed under this part, the excess shall be credited against other amounts due, if any, from the taxpayer and the balance, if any, shall, upon appropriation by the Legislature, be refunded to the taxpayer.

SEC. 3. Section 23683 is added to the Revenue and Taxation Code, to read:

23683. (a) There shall be allowed as a credit against the “tax,” as defined in Section 23036, an amount equal to the product of the taxpayer’s energy conservation percentage, not to exceed 25 percent, and the cost paid or incurred by the taxpayer during the taxable year for the amount of electricity used by the taxpayer in this state.

(b) For purposes of this section, “energy conservation percentage” means the amount of reduction, expressed as a percentage, in the amount of electricity used in this state by the taxpayer during the taxable year as compared to the amount of electricity used in this state by the taxpayer during the immediately preceding taxable year.

(c) In the case of a taxpayer whose credits provided under this section exceed the taxpayer’s tax liability computed under this part, the excess shall be credited against other amounts due, if any,

- 1 *from the taxpayer and the balance, if any, shall, upon*
2 *appropriation by the Legislature, be refunded to the taxpayer.*
3 *SEC. 4. This act provides for a tax levy within the meaning of*
4 *Article IV of the Constitution and shall go into immediate effect.*

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